

# Projected Revenue Gains and (Losses) of LB 775, LB 829 as amended, and LB 620 for Tax Years 1987-2007 Projects by Fiscal Years\*

The estimates are based on a sample of 100 agreements and actual results of 369 qualified projects, including 111 completed projects, from 1987 through 2005. Employment and investment flows are projected at rates indicated by the corresponding companies' applications. The analysis time frame considers future agreements signed through the year 2007 with a 95 percent success rate. There are still 158 pending applications as of 12/31/2005 and it is estimated that approximately 100 of these will result in signed agreements.

All other pertinent information as provided in the applications, such as salary levels and investment composition (not all property is treated equally in regard to tax preferences), is taken into consideration.

The classification of jobs into new economic jobs or existing jobs (jobs that would have been created regardless of the existence of LB 775, LB 829 as amended, and LB 620) is based on the company provided description of the project. Over the life of the 775 program, the model estimates that, on average, 30 percent of the jobs created are true new economic jobs.

The credit used estimate is based on the assumption of maximized use for each year either against corporate income tax, individual income tax, or sales and use tax.

The time series analysis from 1987 to 2005 indicates that the usage of credits against sales and use taxes paid averages 50.0 percent of credits used. This usage factor was used for the future allocation of credits used. The liability analysis of the calendar year simulation model is converted into a fiscal year cash flow model.

The estimated profitability (individual and corporate income tax liability available for credit set-off) is based on the historical profitability of the respective companies.

Year	# of Agreements Signed	AVERAGE PER PROJECT**		
		\$ Million of Investment	Number of Employees	Salary Level
2006	60	56.1	142	38,270
2007	40	35.3	91	39,067

\* A detailed description of the model is available upon request.

(Methodology and Assumptions for LB 775 Benefit and Cost Estimate; Nebraska Department of Revenue, Finance and Research Division, August 1996.)

\*\*The investment and employment levels represent the entire investment and employment associated with the project through the entitlement period (employment levels represent the employees qualifying for credits).

**PROJECTED REVENUE GAINS OR (LOSSES) OF LB 775, LB 829 AS AMENDED, AND LB 620  
FOR TAX YEARS 1987-2007 BY FISCAL YEAR**

Fiscal Year		05/06	06/07	07/08	08/09	09/10	10/11
SUMMARY	Expansion: Sales and Use	90,958,231	98,451,868	88,437,122	87,016,599	80,987,737	80,760,456
	Corporate	9,464,821	10,124,256	10,464,147	9,606,257	9,325,688	8,826,358
	Individual	40,169,221	43,430,450	39,560,508	38,649,142	36,125,370	35,834,726
	Sales and Use Tax Refunds TPP	42,108,938	39,422,247	39,790,789	38,184,603	35,097,249	30,654,685
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	99,445,119	103,714,883	106,614,544	107,948,410	106,545,747	101,440,577
	Corp. or Individ. & Wage Benefit Credit	52,705,913	54,968,888	56,505,709	57,212,657	61,796,533	58,835,535
	Sales and Use	46,739,206	48,745,995	50,108,836	50,735,753	44,749,214	42,605,042
	Credits Expired	10,196,614	7,885,895	7,022,481	6,828,608	5,744,840	5,783,103
	Gain or (Loss)	(961,785)	8,869,443	(7,943,556)	(10,861,014)	(15,204,201)	(6,673,721)
	Cumulative	(350,622,515)	(341,753,072)	(349,696,628)	(360,557,642)	(375,761,843)	(382,435,564)
	Sales Tax Refunds (TPP+Credits Used)	88,848,144	88,168,242	89,899,624	88,920,356	79,846,463	73,259,727
Fiscal Year		11/12	12/13	13/14	14/15	15/16	16/17
SUMMARY	Expansion: Sales and Use	76,176,947	70,940,410	67,758,788	63,847,934	55,232,914	55,255,179
	Corporate	8,682,798	8,165,114	7,650,042	7,283,171	6,728,392	6,024,331
	Individual	33,943,898	31,642,210	30,163,532	28,452,442	24,784,522	24,511,804
	Sales and Use Tax Refunds TPP	24,869,993	18,337,837	12,585,855	8,451,065	5,369,840	2,934,566
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	93,575,259	83,636,483	72,070,217	60,461,391	49,637,547	40,300,665
	Corp. or Individ. & Wage Benefit Credit	51,466,393	46,000,066	39,638,619	35,067,607	28,789,777	23,374,386
	Sales and Use	42,108,867	37,636,417	32,431,597	25,393,784	20,847,770	16,926,279
	Credits Expired	6,339,901	6,808,324	6,982,844	6,833,457	6,544,963	7,190,812
	Gain or (Loss)	358,391	8,773,413	20,916,290	30,671,090	31,738,440	42,556,082
	Cumulative	(382,077,173)	(373,303,760)	(352,387,469)	(321,716,379)	(289,977,939)	(247,421,857)
	Sales Tax Refunds (TPP+Credits Used)	66,978,859	55,974,255	45,017,452	33,844,849	26,217,610	19,860,845
Fiscal Year		17/18	18/19	19/20	20/21	21/22	
SUMMARY	Expansion: Sales and Use	51,103,034	47,082,717	43,194,475	39,732,803	31,844,732	
	Corporate	5,912,943	5,463,703	5,028,847	4,616,424	4,118,206	
	Individual	22,806,391	21,018,568	19,289,329	17,739,691	14,385,176	
	Sales and Use Tax Refunds TPP	1,405,386	750,485	448,654	241,103	130,529	
	Sales Only Formula	0	0	0	0	0	
	Credits and Wage Benefit Credit Used	32,695,389	26,725,858	22,369,814	17,844,342	11,210,387	
	Corp. or Individ. & Wage Benefit Credit	18,963,326	15,500,997	12,974,492	10,349,718	6,502,024	
	Sales and Use	13,732,063	11,224,860	9,395,322	7,494,624	4,708,363	
	Credits Expired	9,882,668	11,851,518	12,379,811	12,790,717	12,833,738	
	Gain or (Loss)	45,721,593	46,088,646	44,694,183	44,003,473	39,007,199	
	Cumulative	(201,700,264)	(155,611,618)	(110,917,435)	(66,913,962)	(27,906,763)	
	Sales Tax Refunds (TPP+Credits Used)	15,137,449	11,975,346	9,843,976	7,735,727	4,838,891	

NOTE: Rounding differences may cause slight variations.